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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
DELPHI CORPORATION, et al.,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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DEBTORS' RESPONSE SUMMARIZING RESOLUTION OF (A) OBJECTION OF AUDIO  
MPEG AND S.I.SV.EL., S.P.A. TO (I) CONFIRMATION OF FIRST AMENDED PLAN OF  
REORGANIZATION OF DELPHI CORPORATION AND CERTAIN AFFILIATES,  
DEBTORS AND DEBTORS-IN-POSSESSION AND (II) ASSUMPTION OF LICENSE  
AGREEMENT AND (B) MOTION OF AUDIO MPEG, INC. AND SISVEL TO MODIFY  
AUTOMATIC STAY TO PERFORM AUDIT UNDER LICENSE AGREEMENT

Delphi Corporation and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby file this response summarizing the resolution of (a) the objection of Audio MPEG, Inc. ("Audio MPEG") and Societa' Italiana per lo Sviluppo dell'Elettronica, S.I.SV.EL., S.p.A. ("Sisvel" and, together with Audio MPEG, the "Licensors") to (i) the Plan (as defined below) and (ii) the assumption of a License Agreement (as defined below) (Docket No. 11883) (the "Plan Objection") and (b) the motion of the Licensors for relief from the automatic stay under section 362 of the Bankruptcy Code to perform an audit under the License Agreement (Docket No. 11820), and respectfully represent as follows:

#### Preliminary Statement

1. The Licensors filed both an objection to the Debtors' plan of reorganization (the "Plan") and a motion for relief from the automatic stay. The Plan Objection contested, among other things, the third party release provided by the Plan and the Plan's procedures for resolving disputes regarding the assumption of executory contracts. The Motion asserts that the Debtors are in default under a license agreement for failing to make royalty payments and provide royalty statements relating to postpetition periods and seeks relief from the automatic stay to perform an audit of the Debtors' books, as provided for in the License Agreement. On January 17, 2008, during the first day of the Plan confirmation hearing, counsel for the Debtors and the Licensors reached an agreement resolving both the Plan Objection and the Motion. Accordingly, the Plan Objection and the Motion are both resolved, as more fully described below.

#### Background

2. On August 7, 2003, the Licensors and Delco Electronics Corporation

("Delco") executed a License Agreement the ("2003 License Agreement"), whereby the Licensors granted Delco and its controlled companies non-exclusive licenses under certain U.S. and non-U.S. patents (the "Licenses"). On April 4, 2005, the Licensors and Delco (which merged into Delphi Automotive Systems LLC on September 30, 2005) executed a 2005 Addendum to the 2003 License Agreement (the "2005 Addendum" and, together with the 2003 License Agreement, the "License Agreement").

3. On January 9, 2008, the Licensors filed the Motion, and on January 10, 2008, filed the Plan Objection. At the January 17, 2008 Plan confirmation hearing, counsel for the Debtors and the Licensors agreed to resolve the Plan Objection and the Motion, and counsel for the Debtors read the terms of the agreement into the record.

#### Resolution Of Plan Objection And Motion

4. Pursuant to the agreement between the parties, the Debtors have consented to the Licensors' relief from the automatic stay for the limited purpose of performing an audit under the License Agreement. The Debtors believe that the Licenses are important to the operation of the Debtors' business and are therefore willing to acquiesce to the Licensors' request for an audit, as provided for in the agreement, as a means of resolving any dispute between the Debtors and the Licensors over royalty payments. In addition, the parties' agreement allowed the Debtors to resolve an objection to confirmation of the Plan.

5. The Debtors and the Licensors have submitted a joint stipulation and agreed order (the "Joint Stipulation") memorializing the parties' resolution of the Plan Objection and the Motion, the form of which is attached hereto as Exhibit A.

6. The Joint Stipulation sets forth the resolution reached by the Debtors and the Licensors. The Debtors believe that such resolution, including the relief from the automatic

stay, is in the best interests of the Debtors, their estates, and their stakeholders.

WHEREFORE the Debtors respectfully request that the Court enter an order (a) granting the Motion on the terms set forth in the Joint Stipulation and (b) granting them such other and further relief as is just.

Dated: New York, New York  
January 24, 2008

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